

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 0 8

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 5, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Benefits Improvement and Protection Act of 2000
Section 701

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$14,543,488.00b. FFY 2002 \$14,467,803.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Page 22
Attachment 4.19-A, Page 239. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):None, New Page
Attachment 4.19-A, Page 22
Approved 12-23-91, TN 91-20

10. SUBJECT OF AMENDMENT:

The Arkansas Title XIX State Plan has been amended to revise the disproportionate share
payment for Arkansas State Operated Psychiatric Hospitals and Arkansas State Operated
Teaching Hospitals.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Ray Hanley

13. TYPED NAME:

Ray Hanley

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

April 5, 2001

16. RETURN TO:

Division of Medical Services
P. O. Box 1437
Little Rock, AR 72203-1437Attention: Binnie Alberius
Slot 1103

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

May 8, 2001

18. DATE APPROVED

July 17, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

April 5, 2001

20. SIGNATURE OF REGIONAL OFFICIAL

Calvin G. Cline

21. TYPED NAME:

Calvin G. Cline

22. TITLE:

Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Revised: April 5, 2001

3. Additional Disproportionate Share Payment

Effective April 5, 2001, the total annual Disproportionate Share Hospital (DSH) payments to all qualifying hospitals (acute care, inpatient psychiatric, rehabilitative and border city), as calculated per Section #2 of Attachment 4.19-A, is capped at a maximum annual total of \$2,745,367. This maximum annual DSH total does not include the additional DSH amounts payable to Arkansas State Operated Psychiatric Hospitals and Arkansas State Operated Teaching Hospitals as identified in this Section.

The DSH payment to each qualifying hospital will be reduced proportionately if the total of the individual hospital DSH payable amounts exceeds the annual \$2,745,367 maximum.

Effective April 5, 2001, the Arkansas State Operated Psychiatric Hospitals shall qualify to receive an additional DSH amount. Arkansas State Operated Psychiatric Hospitals are classified as a separate class group for DSH purposes. The Medicaid DSH definition of a State Operated Psychiatric Hospital is a psychiatric hospital that has in effect an agreement to participate in Medicaid as an inpatient psychiatric hospital and is operated by the State of Arkansas. The additional payable amount is the difference between the annual State DSH maximum amount for psychiatric hospitals (Federal plus State Share) and the DSH payable amounts to all psychiatric hospitals as calculated per Section #2 of Attachment 4.19-A. The State Operated Psychiatric Hospitals must qualify under either the Medicaid inpatient utilization rate or low-income utilization rate methods and must meet all other requirements of Section #2 in order to receive the additional DSH reimbursement. The State DSH maximum amount for psychiatric hospitals is identified annually by the Health Care Financing Administration (HCFA) and is included in the federally (HCFA) determined annual State DSH allotment. If qualified, the State Operated Psychiatric Hospitals are reimbursed both the DSH amount as calculated per Section #2 plus the additional DSH amount. Arkansas State Operated Psychiatric Hospitals are provided the same mechanism to appeal their additional DSH payment eligibility and/or rate as is identified in Section #2.

Effective April 5, 2001, the Arkansas State Operated Teaching Hospitals shall qualify to receive an additional DSH amount. Arkansas State Operated Teaching Hospitals are classified as a separate class group for DSH purposes. The additional payable amount is the difference between the annual DSH allotment amount (Federal plus State Share) and the total other DSH payable amounts, including all amounts payable to the State Operated Psychiatric Hospitals. The State Operated Teaching Hospitals must qualify under either the Medicaid inpatient utilization rate or low-income utilization rate methods and must meet all other requirements of Section #2 in order to receive the additional DSH reimbursement. The State DSH allotment is identified annually by the Health Care Financing Administration (HCFA). If qualified, the State Operated Teaching Hospitals are reimbursed both the DSH amount as calculated per Section #2 plus the additional DSH amount. Arkansas State Operated Teaching Hospitals are provided the same mechanism to appeal their additional DSH payment eligibility and/or rate as is identified in Section #2.

SUPERSEDES: NONE - NEW PAGE

STATE	Arkansas	A
DATE REC'D	05-08-01	
DATE APPV'D	07-17-01	
DATE EFF	04-05-01	
HCFA 179	ARC-01-08	

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

April 5, 2001

4. Reimbursement for Inpatient Hospital Services for Children Under Age One (or Children that are Hospitalized on Their First Birthday)

Medically necessary inpatient hospital services furnished to children under age one (or children that are hospitalized on their first birthday) will be exempt from any dollar limits on any inpatient hospital service.

Inpatient hospital services for these individuals will be cost settled separately from all other Medicaid recipients and no dollar limits will be applied.

Arkansas Medicaid will not consider these costs in the Medicare TEFRA rate of increase limit computation.

SUPERSEDES: TN - 91-20

STATE <u>Arkansas</u>	A
DATE REC'D <u>05-08-01</u>	
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